

Registered Number: 01507274

MARSH LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

MARSH LIMITED

COMPANY INFORMATION

DIRECTORS

J Boyce
D S Brightmore-Armour (appointed 11 March 2024)
M Chessher
A Coates
T Colraine
J Flahive (resigned 6 March 2023)
A Fraser-Hawkins
R Harris (resigned 31 July 2023)
A King
C Lay
P Moody
C Read
D Samengo-Turner
D Weymouth

COMPANY SECRETARY

A Ramseyer

REGISTERED NUMBER

01507274

REGISTERED OFFICE

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MARSH LIMITED

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MARSH LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

INTRODUCTION

The Directors present their Strategic Report for Marsh Limited ('the Company') for the year ended 31 December 2023. The Company's registration number is 01507274.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company provides risk management, insurance and reinsurance broking services to clients through two principal businesses, Marsh and Guy Carpenter, and receives revenue for services to insurance companies.

The Company is part of the Marsh & McLennan Companies, Inc. group ('MMC' or 'the Group'). The Company utilises services, mainly in relation to staff and property, from other Group companies for which it receives a recharge. The Company has no employees and does not own or lease any property itself. Any reference to employees or property in these financial statements relates to the staff and property provided by other Group companies.

There have not been any significant changes in the Company's principal activities during the period under review and the Directors propose that the principal activities will continue during 2024.

During the year the Company purchased clients from European companies owned by MMC at fair market value, which resulted in an increase in the value of intangibles of £124 million and which the Directors believe will contribute to the success of the Company in the future.

The Company is regulated by the Financial Conduct Authority ('FCA').

FINANCIAL KEY PERFORMANCE INDICATORS

The Company's key financial and other performance indicators during the year were as follows, compared to 2022:

	2023	2022	Movement	Movement
	£M	£M	£M	%
Turnover - Client service revenue	1,608	1,461	147	10
Turnover - Investment income	155	42	113	269
Administration expenses	(1,433)	(1,303)	(130)	(10)
Profit before tax	414	265	149	56
Shareholders' funds	1,772	1,907	(135)	(7)

The Company's profit before tax for the year was £414 million which is an increase of £149 million compared to 2022 (£265 million).

Turnover in relation to client service revenue increased by £147 million. This was the result of a combination of:

- The acquisition and integration from 1 April 2022 of the trade of Jelf Insurance Brokers Limited and Hamilton Bond Limited, and
- Organic growth on the existing client service revenue year on year.

Turnover in relation to investment income increased by £113 million in 2023 due to the impact of higher interest rates.

Administrative expenses increased by £130 million (10%) on the prior year to £1,433 million mainly due to an increase in compensation and benefits.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

FINANCIAL KEY PERFORMANCE INDICATORS (CONTINUED)

Other significant transactions that affected the change in the Company's profit year on year, but are not key performance indicators were:

- during the year, the Company made a gain of £29 million recognised in other comprehensive income. This resulted from the sale of part of its investment in a subsidiary, consideration for which was in the form of a book of business received; and
- the receipt of £56 million in respect of a legal settlement from a competitor.

Shareholders' funds decreased by £135 million on the prior year to £1,772 million. The Company made a profit after tax of £286 million and paid dividends of £450 million to its shareholder, MMC UK Group Limited, during the year. In addition, the Company made a net transfer of £19 million from Profit and Loss Reserves to Other reserves. This consisted of a gain of £29 million on transfer of part of its investment in a subsidiary to another Group undertaking in exchange for book of business received and a £10 million transfer from other reserves to profit and loss reserves in respect of a gain which was previously unrealised but realised in 2023.

SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE 'ACT') STATEMENT

Under section 172(1) of the Companies Act 2006 ("s172") the directors of the Company must act in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, the directors should have regards to the following factors:

- the likely consequences of any decision in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The below Corporate Governance Statement provides an explanation as to how the Company's directors have had regard to the matters set out in s172 when performing their duties during the year ended 31 December 2023.

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 December 2023, under The Companies (Miscellaneous Reporting) Regulations 2018, the Company has applied the Wates Corporate Governance Principles for Large Private Companies which can be found at www.wates.co.uk/insights/wates-group/culture/the-wates-principles-report/. The Directors have set out below an explanation of how the Wates Principles have been applied during the 2023 year.

Principle 1 - Purpose and leadership

"An effective board develops and promotes the purpose of the Company, and ensures that its values, strategy and culture align with that purpose."

As a subsidiary of Marsh & McLennan Companies Inc. Group, the Company shares the Group's purpose to make a difference in moments that matter, for its clients and for the communities in which it operates. The Group's values and strategy that underpin that purpose, are set by MMC, and applied by the Company to consider the local market in which it operates.

The Board has delegated responsibility to formulate the Company's strategy to the Chief Executive Officer ('CEO'), who sets the Company's strategic objectives within the risk tolerance agreed by the Board. The Board is responsible for approving the Company's strategy, business plans, financial objectives, budgets and operating strategies as developed and proposed by the CEO and wider Executive team. The Board, through regular updates from the Executive on delivery, independently and constructively challenges the Executive on objectives, plans and performance against strategic initiatives. During 2023, the Board considered a number of key strategic initiatives. During 2023, the Board considered a number of key strategic initiatives aimed at creating sustainable profitable growth, including initiatives in respect of the workforce, operational efficiency and digitisation and efforts aimed at deliberate collaboration with colleagues across the Group in Mercer and Oliver Wyman businesses.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE 'ACT') STATEMENT (CONTINUED)

Principle 1 - Purpose and leadership (continued)

The Board understands that instilling the right culture is critical to fulfilling the Company's purpose, as it guides strategy and drives long-term value for the Company's shareholder and wider stakeholders. The Board supports and promotes efforts by the Executive through, for example, the Company's diversity and inclusion agenda and social impact efforts, to build a culture where all colleagues belong and thrive. The Board views the Group's Code of Conduct, The Greater Good (which applies to all colleagues and directors of the Company) as the foundation of the culture of the Company, underpinning the values of the Company as a whole and the individual obligations of all colleagues. Culture is routinely monitored through employee surveys, absenteeism rates and exit interviews, with results reported to the Board periodically. Colleagues are encouraged to report concerns relating to business integrity and conduct through established whistleblowing processes, and anonymised concerns are reported to the Audit Committee on a quarterly basis, and escalated to the Board as appropriate.

Principle 2 – Composition

"Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the Company."

As at 31 December 2023, the Board of the Company comprised eleven directors including a Non-Executive Chair, two further independent Non-Executive Directors, the CEO, the Chief Financial Officer, the Chief Operating Officer and an additional five Executive Directors representing key areas of the Company's business.

Board members have a range of skills, expertise, and experience, including experience and expertise in the fields of insurance and re-insurance broking, accountancy, operations and commercial management.

The separation between Chair and CEO roles ensures that there is a balance of responsibilities and effective decision-making by the Board. The Chair promotes and facilitates open and productive dialogue amongst directors and the Executive and is supported by the Company Secretary in ensuring that all directors have appropriate information and sufficient time to discuss important topics.

The Nominations Committee keeps under review the structure, size and composition of the Board to ensure that there is diversity of thought, experience and expertise necessary to govern the Company. It also oversees Board succession planning and appointments and considers other significant time commitments and/or conflicts disclosed by directors. The Nominations Committee reviews the results of the annual Board performance evaluation process as this relates to Board and Committee effectiveness and composition and makes recommendations as appropriate. The Nominations Committee also oversees the delivery of induction programs to new members of the Board to ensure they are fully informed about the Company's main areas of business activity, strategic priorities, risks and commercial issues affecting the Company. Induction programmes are tailored to each directors' specific experience and knowledge

Principle 3 – Director Responsibilities

"The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision making and independent challenge."

The Board's terms of reference, which provide a framework for governance practices, clearly set out the responsibility and remit of the Board, and the matters it has delegated to the Executive. The Board reviews its terms of reference and governance policies annually, or as and when required, in order to ensure alignment with evolving corporate governance and business practices.

In accordance with regulatory requirements applicable to the Company, all directors have clearly documented statements of responsibility for the matters under their remit. These statements of responsibility are included in papers shared with the Board on an annual basis and provide a clear view of individual Director responsibilities.

The Board has established committees to assist in providing oversight, independent challenge and guidance to the Executive in the areas of Risk, Audit and Remuneration. The responsibilities of the committees, including decision-making authority and escalation processes, are outlined in each committee's terms of reference which are annually reviewed by the respective committees and the Board. Each committee has at least two Non-Executive Directors appointed, one of whom is appointed Chair.

The Board meets at least four times per year, with ad hoc meetings held as and when required. During 2023, the Board met a total of eight times. In accordance with its terms of reference, the Board also considered and approved items via written resolution outside of meeting where convening a meeting proved impractical.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE 'ACT') STATEMENT (CONTINUED)

Principle 3 – Director Responsibilities (continued)

The Board receives regular and timely information on all matters required to lead and direct the Company and to ensure that it is soundly and prudently managed. This includes regular reports on business and financial performance, key strategic risks and opportunities, operational matters, market conditions, human resources, legal, compliance, audit and regulatory matters. All papers provided to the Board are prepared by subject matter experts with the relevant experience and skills necessary to ensure the integrity of information presented.

Principle 4 - Opportunity and Risk

"The Board should promote the long-term sustainable success of the Company by identifying opportunities to create and preserve value and establish oversight for identification and mitigation of risks."

Through the presentation of the Company's annual strategic plan and regular updates by the CEO and other Executive Directors at each quarterly board meeting during 2023, the Board considered and discussed the Company's key business initiatives and future plans for value creation and preservation. Outside of the formal meeting programme, the Non-Executive Directors and Executive Management maintain an open and active dialogue with regards the Company's plans for, and issues material to, the Company's business.

The Board has responsibility for risk management and has delegated this oversight responsibility to the Risk Committee. The Risk Committee recommends the Company's risk appetite and tolerance to the Board annually for approval and receives regular reports from the Chief Risk Officer on risk taking relative to performance. The Company's key risks have been outlined in the Strategic Report on pages 7 to 8.

Principle 5 - Remuneration

"A Board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the Company."

The Company's remuneration practices are subject to the Remuneration Policy, which is approved by the Board on an annual basis, upon the recommendation of the Remuneration Committee. The Board has delegated authority to the Remuneration Committee to keep under review the Company's Remuneration Policy and compensation practices for the Company's Senior Executives to ensure that they are appropriate, within the Company's risk appetite and align to the Company's purpose, values, culture, business strategy and long-term objectives.

During 2023, the Remuneration Committee reviewed the remuneration packages of all Senior Executives within the Company to ensure that performance was remunerated for financial performance and qualitative measures aimed at preserving the legal, regulatory and reputational health of the Company. During the Company's annual compensation process, the Remuneration Committee also reviewed and challenged the Executive on high-level remuneration and performance data for all colleagues as well as the remuneration packages for the top fifty highest remunerated colleagues, with a view to ensuring remuneration proposals for the Company's workforce were balanced, proportionate and aligned with the Company's diversity and inclusion aspirations.

The Board continues to commit to improving the Company's Gender and Ethnicity Pay Gap. The Company's latest Gender and Ethnicity Pay Gap Report, which was reviewed by the Board prior to publication is available at <https://www.marsh.com/uk/about/about-marsh/diversity-and-inclusion-marsh.html>.

Principle 6 – Stakeholder Relationships and Engagement

"Directors should foster effective stakeholder relationships aligned to the Company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions."

The Board understands that good corporate governance and effective communication are essential on a day-to-day basis to deliver the Company's purpose; and to protect the Company's brand, reputation and relationships with all stakeholders, including the Company's shareholder, clients, employees, suppliers, the environment and the local communities within which the Company conducts business. The Board ensures there are channels to receive appropriate feedback from discussions with all stakeholders and has clearly outlined in its terms of reference that its purpose is to lead and direct the affairs of the Company in order to promote the long-term sustainable success of the Company, including to generate value for its shareholder and to ensure the sound and prudent management of the firm, with due regard for the interests of the Company's other stakeholders.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE 'ACT') STATEMENT (CONTINUED)

Principle 6 – Stakeholder Relationships and Engagement (continued)

Shareholder

As a wholly owned subsidiary, the Board considers the views of its ultimate shareholder (Marsh McLennan Companies, Inc ('Marsh McLennan')), and the interests of the Group in all decisions and transactions undertaken by the Company. The Company's Executive Directors provide the primary channel of communication between the Company, Marsh McLennan and the Group.

Distributions to the Company's shareholder are considered after a full assessment of the Company's capital adequacy. The Board also balances the ability to invest in future growth, with stable and sustainable returns for the shareholder. Further information on dividends is set out in the Notes to the Financial Statements on page 43.

Clients

The Company is committed to ensuring that all clients are treated fairly, that positive client outcomes are achieved, and that client interests are considered as part of decision making at every level within the Company, including decisions to launch any new product or service.

The Risk Committee monitors key risk indicators to ensure high levels of service and positive client outcomes, including completion levels of employee induction and training, error and omission and complaints data and trends, actions taken to areas of concern and time to resolution. High level reporting and items of significant concern are reported to the Board on a quarterly basis or more frequently if required.

The Company has in place an annual client engagement programme, tailored for different client segments. The CEO, members of the Executive Team and other senior managers in the business meet regularly to review client feedback, address any concerns and to enhance service delivery.

During 2023, the Board closely monitored the Company's progress against plans to ensure compliance in applicable areas of its business with the new Consumer Duty (the 'Duty') introduced by the FCA which sets out new rules and standards of consumer protection, requiring firms to put their customers' needs first. A Board Champion was appointed to ensure that the Duty is raised regularly during relevant discussions, and that the Board challenges the Executive on the Company's management of embedding the Duty and focusing on customer outcomes. The implementation programme presented an opportunity for the Company to formalise its existing best practice in this regard and identify and address areas for improvement including updates to the Company's Vulnerable Customer Policy and refining management information, and governance and reporting processes. Monitoring the Company's compliance with the Duty has been integrated into the formal Board programme with a view to ensuring that the Company's strategies, governance, leadership, processes, and people policies reflect the obligation to act to deliver good outcomes for customers.

Employees

As a professional services firm, the Board understands that colleagues are at the heart of the Company's business. The Board understands the importance of leadership visibility and colleagues are kept informed on matters affecting them, as well as on business performance through regular Townhalls, emails, digital tools and platforms designed to keep teams connected. The Company conducts regular colleague engagement surveys with the results reviewed by the Executive and the Board to identify areas for improvement.

Several Colleague Resource Groups assist directors and Executive Management to better understand and support the wide ranging and diverse constituents comprising the Company's workforce. These groups support efforts focused on disability, race and ethnicity, gender, LGBTQ+, mental health, military affiliation, neurodiversity, young professionals and parents and carers.

The Board monitors attrition rates and measures absenteeism levels to identify emerging people risks and trends and to ensure appropriate action is taken to address these. Emerging people risks and trends are highlighted to the Board by Executive Management, together with proposed action plans.

The Board and Executive Management remain committed to delivering the Company's diversity and inclusion strategic targets. The target to increase the Company's female representation in leadership positions to 25% by 2023 for the Women in Finance Charter was exceeded (28.1%), and the Company is now aspiring to reach 35% by 2028. The Board and UK Executive Leadership Team have similar ethnicity mandates that aim to increase representation of ethnic minority colleagues across all levels of the workforce.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE 'ACT') STATEMENT (CONTINUED)

Principle 6 – Stakeholder Relationships and Engagement (continued)

Suppliers

The Company's business with suppliers is managed at a UK Group level through its Global Sourcing and Procurement department. The Group is committed to building strong relationships with suppliers and recognises that engaging with suppliers and subcontractors who provide a superior service on reasonable terms is critical to success. The Board is supportive of the principles included in The Greater Good setting out the Group's commitment to engage with well qualified and financially responsible suppliers based on the quality of their products and services and the competitiveness of their prices and terms and conditions, and to avoid suppliers who have engaged in unlawful or unethical conduct, who do not meet the Group's data-protection standards or who could damage its reputation. Colleagues involved in the supplier selection process are also obliged to disclose any actual or potential conflict of interest or any personal relationship with a prospective supplier and the Group encourages suppliers from diverse backgrounds to compete for its business.

Marsh Corporate Services Limited reports on the UK Group's supplier payment practices on a biannual basis, and results are monitored by the Audit Committee. The latest results can be found at <https://check-payment-practices.service.gov.uk/report/80629>.

Other

The Company is authorised and regulated by the FCA. The Board is committed to open and pro-active interactions with the FCA. The Company's Chief Compliance Officer attends all Board meetings as advisor to the Board, to ensure that regulatory items are raised accordingly. Consideration of Company's regulatory obligations and the interests of the FCA form a key part of all Board deliberations.

Community

In an ever-changing world with geopolitical instability, economic uncertainty and ongoing conflicts, the Board recognises the importance of supporting the communities in which the Company operates. In alignment with the Group's environmental, social and governance ('ESG') strategy, social impact activities are focused on disaster response, mentoring and building resilient communities, which the Board recognises helps contribute to the Company's vibrant and inclusive culture, drives colleague engagement and elevates the Company's brand reputation. By aligning its social impact programmes with the business priorities and experience, the Company and the wider Group can demonstrate its commitment to its communities in the UK while supporting the business.

In 2023, the Company continued to support the Group's strategic charity partner in the UK, Ambitious about Autism, and participated in Global Volunteer month and in global disaster giving campaigns.

Environment

The Company, as part of the Group, recognises its obligations to be good stewards of the environment and continues to look at ways to manage its carbon footprint and impact on the environment. The Company shares the Group's ESG and climate-related ambitions and integrates the Group's environmental initiatives into strategy, decision-making and business processes, considering the local market. Further information can be found on page in the Greenhouse Gas Emissions, Energy Consumption and Energy Efficiency Action report on pages 19 to 23 and the Company's disclosures under the new climate-related financial disclosures can be found on pages 9 to 17.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's Risk Committee meets frequently throughout the year to monitor risks across the business.

The Committee reviews and challenges risk management activity and reports to the Board of Directors.

The principal risks and uncertainties facing the Company are those listed below:

Conduct & Culture

The risk that the actions and behaviours of colleagues fall short of the expectations of the regulator in terms of client outcomes, market stability and effective competition, and/or the standards set by ourselves in our code of conduct, 'The Greater Good'.

A Company's business model and culture represent the biggest potential root causes of conduct risk. The business model is determined by the senior leadership team, driven by the Company's purpose and strategy and managed by a combination of risk appetite, governance, policies and controls.

Cybersecurity

The risk that the Company is the victim of a cyber-attack resulting in the prolonged inability to provide services, suffering regulatory sanctions and/or damage to its reputation. The continuously changing cyber threat landscape coupled with the world's ongoing use and reliance on technology has made the Company more vulnerable to a cyber-attack. The overall risk trend is an increasing one, driven by global connectivity as we increasingly store our sensitive and personal information in digital assets.

In mitigation, the Company continuously monitors external threat vectors, maintains a robust information technology and cyber infrastructure, regularly updates security and patching, and provides comprehensive colleague awareness and training campaigns. In the event of a heightened cyber threat, the Group has established incident management procedures which are invoked to mitigate any adverse impacts. Attendance at the FCA hosted Cyber Co-ordination Group ensures the business has sight of threats and vulnerabilities affecting the UK.

Data & Digital

The risk that the Company fails to embrace the transformational potential of data and digital across all dimensions of our client proposition, inclusive of a full client digital experience, driving efficiencies through digital trading, and driving better client outcomes through the capture and use of our placement and trading data. Failure of this would result in loss of competitiveness, erosion of the relevance and engagement of London as a market, growing levels of client attrition, and potential disintermediation.

In mitigation, Marsh Limited continues to develop its digital capabilities, leveraging significant global investment and platforms, and tailoring to specific UK segment requirements.

Geopolitical & Macroeconomic Environment

The risk that changes within the geopolitical and macroeconomic environment adversely impacts the Company's strategy, reputation and/or growth targets resulting in potential losses, associated costs and operational disruption. The business continuously monitors and responds to any material external environmental factors, such as: fiscal changes (including inflation and GDP growth), geopolitical influences (e.g. Russia/Ukraine war, Israel/Palestine conflict, China/Taiwan tensions) and market-wide activity (e.g. insurer consolidations).

Errors and Omissions

The risk of losses and associated costs arising from Errors and Omissions ('E&O') claims against the Company. The Company is subject to claims and litigation in the ordinary course of its business, principally in connection with its insurance broking business. In mitigation, the Company requires a governance and escalation structure, regular review of the adequacy and effectiveness of supporting processes and appropriate insurance cover to ensure its operations and stakeholders are not adversely impacted in the event of a claim. Information on the Company's E&O provision is contained in note 26.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Environmental, Social and Governance

The risk that Marsh Limited is impacted by an ESG event, or condition, which adversely impacts our brand, value and/or operations of the business.

MMC has proactively promoted the need to 'advance good in the world', noting in its 2023 ESG Report, that ESG considerations have been a formal part of our Executive decision making since 2008. MMC has also pledged to become net-zero across its operations by 2050 and reduce emissions by 50% by 2030. The Company is also monitoring the regulatory requirements in this area. The Company's disclosures under the new climate-related financial disclosures can be found on pages 9 to 17.

Operational Resilience

This risk relates to the failure of the firm to prevent, respond to, recover and/or learn from operational disruptions resulting in client detriment, regulatory intervention and/or adverse commercial impacts. Examples of such business interruption events could include supply chain disruptions, a failure of outsourcing / intragroup arrangements, technological outages, a breakdown of national infrastructure, etc. Marsh Limited has robust processes and controls in place for monitoring and responding to operational disruptions (including a well-established crisis management team). The Company's Operational Resilience Programme continues to address the regulatory requirements arising from the FCA's guidance in this area.

People

The risk that the Company fails to employ sufficient leaders, managers or colleagues with the relevant skills, experience and engagement to deliver its products and services to the required standards and maintain a high level of conduct. The key drivers to this risk continue to be the increasingly competitive skills marketplace, resulting in colleagues and teams being 'acquisition' targets, and the firm's ability to retain and attract people.

Marsh Limited is a people business that relies on its culture, the skills, knowledge and experience of its leaders, managers and colleagues to deliver excellent client outcomes and sustainable growth. To maintain and grow a core colleague base Marsh Limited must be able to: provide a healthy, diverse and inclusive culture; attract the right talent; recruit and on-board effectively and efficiently; manage colleague performance; deliver a training and competence process to ensure the right levels of skills are available for all our business units and teams; retain the right colleagues by nurturing talent; provide opportunities for learning and development and career development; and provide adequate support for colleague well-being. These activities take place alongside the development of a strong ethical culture and inclusive management within The Greater Good.

Regulatory Environment

This risk relates to the Company's ability to adequately monitor the firm's regulatory environment and/or identify, assess and manage its regulatory exposure. Regulatory risk can arise when either: there are changes to the external regulatory environment within which a firm exists and those changes are not assessed and managed effectively; or there are changes within the firm's own internal environment or business model which impact the controls in place to mitigate regulatory risk, or require a new assessment of regulatory risk and risk management approach. Areas of focus include: adherence to the FCA's Consumer Duty requirements, compliance with sanctions controls and the maintenance of a robust framework for the management of risks related to the wider financial crime environment, governance arrangements around Brexit, maintaining adequate controls around data privacy, and the adherence to the Senior Managers & Certification Regime.

Strategic Risks

Marsh Limited faces a number of strategic risks that could impact the Company's ability to achieve its strategic objectives. These risks primarily relate to the Company's ability to evolve and adapt to changing market dynamics, technological advancements and competitive pressures. The Company needs to remain nimble to continue to meet its clients' needs, and offer solutions that are innovative to remain relevant in an industry that is susceptible to being disintermediated. Marsh Limited has a history of developing unique products and propositions in the marketplace. This innovation is fostered through its skilled workforce and commitment to expand into areas where the Company sees gaps and opportunities for growth. It has a well-established product and propositions governance framework in place that oversees and challenges new ideas and growth initiatives.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

These climate-related financial disclosures are made by the Company to comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Marsh Limited, as part of the Marsh McLennan Companies Inc. group, continues to look at ways to manage its carbon footprint and impact on the environment.

Governance

Marsh Limited has a strong system of governance, with effective and robust controls. The Company's governance framework is proportionate to the scale and complexity of business operations. It allows the Company's Board, management committees and senior management to integrate climate-related risks and opportunities into the Company's strategy and decision-making processes.

Board oversight

The Board provides leadership of the Company within a framework of prudent and effective controls which enables risks and opportunities, including ESG and climate risks and opportunities, to be assessed and managed. The Company's climate-related ambitions are considered by the Board when reviewing the Company's strategy, risk management policies, annual budgets and performance objectives.

Activity during 2023 included:

- The Board reviewed the Company's strategy, which included progress against the Group's ESG-related strategic and carbon-risk management initiatives.
- Bi-annual updates were received by the Board from the Chief Administration Officer on the Company's programme to strengthen ESG-related processes.
- Quarterly updates from the Chief Executive Officer were received by the Board relating to the Company's overall performance and delivery of strategic objectives, which included performance against ESG-related metrics and management's integration of climate thinking into organisational decisions.
- The Board approved the Company's Risk Appetite Statements, which included the Company's appetite for ESG and climate-related risks, with a view to delivering the Group's sustainability agenda and associated targets within the context of the UK market.

Board Risk Committee

The Board delegates responsibility for oversight of the Company's risk management framework to the Risk Committee. The Risk Committee is responsible for overseeing of the Company's risk management framework and for reviewing top and emerging risks. The Committee is chaired by an independent Non-Executive Director and its membership includes other Non-Executive Directors and Executive members. The Committee meets on a quarterly basis, or more frequently if required. Matters are escalated from the Risk Committee to the Board as appropriate.

During 2023 the Risk Committee:

- received quarterly reports from the Chief Risk Officer on the Company's overall risk profile, including a view on the management of ESG and climate-related risks;
- received an annual deep dive report on ESG risk, which included climate-related risk, from the Chief Administration Officer and considered the strength and effectiveness of the Company's controls to manage ESG-related risks and opportunities; and
- reviewed the Company's Risk Appetite Statements, which included the Company's appetite for ESG and climate-related risks and made a recommendation to the Board.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

Executive Oversight

The Company has established appropriate management forums to provide recommendations and advice as required by the Company's Chief Executive Officer, to assist them in the day-to-day running of the Company.

These forums agree ESG initiatives and review relevant ESG-related risk and performance metrics for the Company, which incorporates MMC's ESG and carbon strategy into the Company's overall strategy as deemed appropriate for the UK market.

Responsibility for the delivery of climate-related plans is integrated into the roles and responsibilities of senior managers across the Company's key business areas and functions.

The overarching global approach

A multi-layered governance framework ensures high standards are consistently applied across MMC's global organisation. As a subsidiary of Marsh McLennan, the Company shares the Group's ESG and climate-related ambitions, and the Company's ESG and climate governance framework and processes should be understood in the context of the Group's governance framework. The Group's global climate and ESG governance framework and processes are summarised below.

The Marsh McLennan Board is supported by a Board ESG Committee and Management ESG Committee to formulate, oversee and deliver the Group's ESG ambitions.

The Board ESG Committee oversees and supports the Group's commitment to social, environmental, and other public policy initiatives. The Committee reports to the Marsh McLennan Board on a regular basis.

Marsh McLennan's Management ESG Committee supports the Marsh McLennan Board and the ESG Committee in identifying and advancing ESG priorities. Members are drawn from senior management across the Group's global businesses and corporate departments, with the General Counsel serving as Chair.

In April 2024, Marsh McLennan published the Group's annual ESG strategy and climate ambition. The strategic objectives and climate ambitions outlined in the report are integrated into the Company's strategy, decision-making and business processes, considering the UK market within which the Company operates.

The Group's annual ESG report (the '2023 ESG Report') is available on the following link:

<https://www.marshmclennan.com/content/mmc-web/mmc-v2/en/about/esg-2023.html>

Strategy

As organisations across every industry move forward with climate change and sustainability strategies, they will encounter new risks and opportunities to be managed.

Marsh Limited has in-depth expertise across a range of risk and resilience disciplines. The Company focuses on building an understanding of the agenda, raising organisational resilience, and enabling clients to report confidently on their progress and planned roadmap to their most critical stakeholders. Key to this is the six-step ESG journey, which ensures that Marsh Limited can help clients through all of their strategic and operational ESG needs, up to and including effective risk transfer via novel insurance solutions.

These climate-related risks and opportunities, both transitional and physical, are integrated into how the Company operates as a business and provide services to its clients.

Marsh Limited considers climate risk in two categories:

- a. Transitional Risks: Risks related to the transition to a lower-carbon economy (e.g. risks related to policy and regulatory changes and shifts in consumer preferences/expectations)
- b. Physical Risks: Risks related to the physical impacts of climate change (e.g. extreme weather events). These can be split between Acute and Chronic Physical Risks:
 - i. Acute physical risks refer to those that are event driven, including increased severity of extreme weather events, such as cyclones, hurricanes or floods; and
 - ii. Chronic physical risks refer to longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea level to rise or chronic heat waves.

MARSH LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

Each of these present both risks and opportunities to Marsh Limited and its clients and are considered in identification and assessment of risks. The identified risks are assessed based on their likelihood of occurrence and impact, taking into account financial and qualitative impact factors, in line with the Company's overall risk management approach.

The Company recognises that this is an evolving landscape and so flexibility has been built in to allow for its medium (3 – 10 years) to long term (10+ years) risks to change, and equally, the short-term (1 – 3 years) risks and opportunities may expand into the medium and long term.

Tier 1 Risk	Tier 2 Risk	Transitional vs Physical	Time horizon	Climate-related risks	Climate-related opportunities
Legal & Regulatory	Governance & Oversight	Transitional	S / M	<p>Risk of reputational damage due to greenwashing accusations.</p> <p>Risk that Client Engagement principles are not governed thoroughly enough among colleagues resulting in Marsh Limited engaging with clients that are not within appetite.</p>	<p>Enhance current governance processes to feature climate and greenwashing concerns in line with the new Anti-Greenwashing Rule which took effect on 31 May 2024.</p> <p>Engage with colleagues and develop public stance clarifying client engagement principles and emphasising Climate and ESG values.</p>
Legal & Regulatory	Regulatory Requirements	Transitional	S / M	<p>Risk that Marsh Limited fails to comply with ESG legal and/or regulatory requirements resulting in regulatory intervention and/or reputational damage.</p> <p>Risk that legal and regulatory requirements conflict with our current strategy impacting the pace of adoption/delivery of climate and ESG initiatives.</p>	<p>Enhance regulatory horizon scanning processes and ownership.</p> <p>Directly link climate strategy with market and upcoming regulations.</p>
Strategy	Innovation	Transitional	M / L	<p>Risk that Marsh Limited fails to innovate ESG client propositions, services, operating models and/or strategies, resulting in the loss of competitive advantage, market share and the inability to deliver against growth targets.</p> <p>Risk of reputational/brand damage due to perception of inaction on climate risks or not delivering on commitments.</p>	<p>Opportunity to include climate into client council ongoing agenda to better understand client need and embed climate risk into core broking proposition and risk advisory services.</p>

MARSH LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

Tier 1 Risk	Tier 2 Risk	Transitional vs Physical	Time horizon	Climate-related risks	Climate-related opportunities
Clients, Products & Markets	Market Capacity	Transitional and Chronic Physical	S / M	Risk that the Marsh Limited fails to secure adequate market capacity for climate risks resulting in client vulnerability leading to client attrition and erosion of brand equity.	Actively engage with insurers to secure terms and capacity for all clients on their climate risk and net zero journeys.
Operations	Supply Chain & 3rd Parties	Acute Physical	S / M	<p>Risk of physical climate events (flooding, heatwaves, earthquakes) impacting our staff & buildings or those of third party suppliers, resulting in interrupted operations and negatively impacting service to clients.</p> <p>Risk of business disruption related to physical climate risk is more pronounced in certain geographic areas, including major metropolitan centres, like London, where MMC, including Marsh Limited, has significant operations and approximately 5,700 colleagues at the location.</p>	Improvement of business resiliency management to response to increased severity of extreme weather events and conduct in-depth physical risk modelling on our assets and full supply chain.

The Company is in the process of establishing a framework to assess the impact of climate-related issues on the financial performance of Marsh Limited. The categories below set out the areas identified that are expected to be expanded on in the future:

Policy and Legal

The regulatory landscape impacting climate changes is evolving. Marsh Limited places business from global clients in multiple geographical locations into the London market and regional markets across the UK. This presents challenges and opportunities in how its business is strategically managed and clients and stakeholders supported.

Change typically requires an investment of time and increased operational costs including collaboration from legal, compliance, product and marketing teams. In the UK, Marsh Limited is actively engaged with the FCA consultation on the ESG Code of Conduct which is expected to be finalised in 2024.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

Policy and Legal Risk (continued)

Regulatory developments that may impact reporting in 2024 and beyond, and the Company's overall climate-related plan, include:

- *UK Green Taxonomy*
Defining which economic activities count as environmentally sustainable. Improving understanding of environmental impact to help companies and investors make informed green choices.
- *Taskforce for Nature-related Financial Disclosure ('TNFD')*
Disclosure framework to enable organisations to report and act upon evolving nature-related risks and opportunities.
- *Transition Planning Taskforce ('TPT')*
Launched in April 2022 by HM Treasury, the TPT Disclosure framework sets out good practice for robust and credible transition plan disclosures.
- *Green Claims Code*
Six key principles guiding environmental claims made by businesses.

Broadly, legal implications with global application are relevant to the Company's strategy at Group level. The review of ongoing legal and compliance matters and disclosure requirements impact the Company's strategic planning on how new requirements are expanded and implemented. For instance, the majority of office properties are leased in multi-tenant buildings, the Company typically has little to no control of the infrastructure, equipment and energy purchases in the buildings. The legal aspects of the leases are important to analyse for risk purposes when determining whether all systems and operations are compliant, e.g., to energy regulations that are imposed upon the landlords but that have tenant tax implications.

Real Estate

In recent years MMC has been focusing on its Real Estate footprint in the UK, through creating Smart office environments. It has implemented energy efficient lighting and HVAC, low-flow fixtures in restrooms and eliminated single-use plastics in the refreshment areas. The Group's London office in Tower Place runs on 100% renewable electricity. During construction, 98% of stripped materials were diverted from landfill and either recycled, reused or donated; and 100% of reusable furniture was donated to local charities. The Group's real estate strategy is underpinned with climate risks and opportunities in mind. Its footprint decisions include detailed reviews of construction, seismic design, climate, health and safety risks.

Operational

The Global Technology Group at MMC continuously focuses across a variety of areas to reduce the Group's energy requirements and the associated greenhouse gas emissions in order to minimise risk related to climate change. At Group level, there is a focus on IT asset disposition/recycling; personal computing; technology purchasing; server virtualisation – all to minimise emissions through recycling electronic waste, decreasing the impact of personal computing, maintaining energy-efficient data centres and partnering with strategic suppliers.

The Global Technology Group is under the leadership of the Chief Information Officer, a role that also oversees Business Resiliency and Security. The Business Resiliency Management team coordinates business resiliency management activities as part of the preparedness lifecycle and crisis response activities, including climate-related risks.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

Reputational

Increasing scrutiny and changing expectations from investors, clients and colleagues with respect to the Company's, and the wider Group's, ESG practices may impose additional costs on or expose the Group and/or the Company to new or additional risks. Given the increased focus of these issues, Marsh Limited is conscious that negative public perception, adverse publicity or negative comments in social media could damage the Company's reputation if it does not or is perceived not to address a particular ESG practice. The Company is also conscious of reputational risks impacting clients and the third parties it works with. A global framework for assessing new client engagements to mitigate the risk of acting for clients engaged in controversial activities has been implemented. The framework advances MMC and Marsh Limited's ESG agenda. The Group's reputation management approach therefore involves keeping abreast of climate risks and opportunities as they arise.

Products and Services

The Company continues to expand its climate-related products and services for clients to meet demand. As a leader in the complex and increasingly interconnected dynamics around risk, strategy and people, the Group is helping clients embed climate change strategies into their businesses from navigating the transition to a resilient, low carbon economy to managing the physical risks associated with extreme weather events. Each of the Group's businesses has its own climate-related specialties and collaborates to best meet clients' needs.

Consideration of different climate-related scenarios

In line with the Group's approach, the Company is developing a qualitative climate-related scenario assessment to inform the resilience of its overall strategy, considering different climate-related scenarios including Representative Concentration Pathways ('RCP') 2.6 and RCP 8.5. These scenarios represent a scenario where warming is kept below 2°C and a high emissions scenario.

RCP 2.6

RCP 2.6 represents a scenario where transitional risk is more likely. In a RCP 2.6 scenario, the transitional risks most identified include reputational risk and regulatory risk.

RCP 8.5

RCP 8.5 represents a scenario where physical risk is more likely including risks include risks to operations and offices from extreme weather.

Risk Management

The Company's Enterprise Risk Management ('ERM') framework advocates for and facilitates strong risk management processes across its businesses and functions. Through its risk management processes, awareness is raised of key risks, a framework for managing risks is implemented, discussion about risks is integrated into decision-making processes and alignment is fostered between senior management and the Board. The Company works with a wide group of internal and external stakeholders to understand its impact on, as well as the impact of, climate risks. In doing so, the Company works with and draws insights from the wider Group. The 2023 ESG Report provides an overview of the Group's approach to enterprise risk management and the integration of climate risks into overall risk management.

This section sets out the processes the Company has in place to identify, assess, and manage climate-related risks, including how these processes are integrated into Marsh Limited's overall risk management framework.

The Company's ERM framework has been updated to recognise the importance of climate risk to its business and its risk taxonomy ('Risk Taxonomy') has been reviewed so that climate-related risks are appropriately represented. Briefings and discussions have been held with internal risk committees on the evolving climate-related regulatory and risk landscape.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

Management of Climate-Related Risks

Climate-related risks are identified, assessed and managed through ongoing and dedicated processes, depending on the risk type. This ultimately feeds into the Company's Risk and Control Self-Assessment ('RCSA') process (the RCSA is an internal process by which Marsh Limited identifies, assesses and manages its risks and assesses the effectiveness of controls). The second line Risk team facilitates this process and meets with senior Risk Owners, who are responsible for the identification, assessment and management of their respective risks. This is performed on a quarterly basis. In particular, the following high-level approach is followed in respect of climate-related risks:

- Marsh Limited's Risk team performs its own research into climate-related risks, utilising internal MMC experts and publications (both internal and external);
- The Risk team co-ordinates benchmarking against Marsh Limited's own ESG risk rating tool; and
- ESG (of which climate risk is a part) is a Marsh Limited Top Tier Risk. A Top Tier Risk is considered to be a key threat to Marsh Limited's annual strategic objectives. All Top Tier Risks are owned by an Executive Risk Owner who is a member of Marsh Limited's Executive Committee. These Executive Risk Owners are ultimately accountable for the risks under their ownership. They will consider, with input from other subject matter experts, whether exposure to each risk is within appetite and the cost / benefit trade-off of implementing additional controls. They have a key role in identifying and assessing climate-related risks relevant to Marsh Limited.

As noted earlier, Marsh Limited considers climate risk in two categories:

- Transitional Risks: Risks related to the transition to a lower-carbon economy (e.g. risks related to policy and regulatory changes and shifts in consumer preferences/ expectations).
- Physical Risks: Risks related to the physical impacts of climate change (e.g. extreme weather events).

Each of these present both risks and opportunities to Marsh Limited and its clients and are considered in the identification and assessment of risks on pages 11 and 12. The identified risks are assessed based on their likelihood of occurrence and impact, considering financial and qualitative impact factors, in line with the overall risk management approach.

The next section provides further information on how climate-related risk management is integrated into the Company's overall risk management.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

Risk identification, assessment and management processes

The Company's ERM framework which includes formal processes to identify, assess, manage, report on and monitor risks to which it is exposed. A key process in this risk life cycle includes the RCSA process, providing further insights on the risk exposure before controls, the effectiveness of controls/mitigants and therefore the residual risk exposure.

Various sources of insight are utilised to help inform the identification of new risks, including climate-related risks, covering both top-down and bottom-up processes. This includes a feedback loop with other risk management activities and data, drawing on insights from:

- Errors & Omissions / breaches / incidents / near misses;
- Review of Emerging Risks;
- Key Risk Indicators ('KRI') and reverse stress testing;
- External publications and insights; and
- Top-down and bottom-up views from the second line Risk team, Risk Committees, Risk Owners and other subject matter experts.

The following high-level processes and approaches are in place for assessing the potential size, impact and scope of identified climate-related risks:

- Impact and Likelihood assessment – to help determine the relative significance of risks, including climate-related risks in relation to other risks, a scoring matrix is used to assess each risk, covering both quantitative criteria and qualitative factors to consider the impact and likelihood of the risks occurring.
- Identification of appropriate Risk Owners – Risk Owners, of appropriate seniority, are agreed and can provide a forward-looking view and assessment of the risks they own.
- Expert judgement – reflecting the Risk Owner's prior experience and insights on how the risk could develop going forward, Risk Owners provide their judgement on possible risk drivers, risk consequences and financial impacts to Marsh Limited, the market and clients.
- Key Risk Indicators – KRI metrics are monitored and used to help provide a view on the expected risk exposure.

Risk and Control owners are responsible for identifying and monitoring risk mitigation plans, including climate-related risks. Appropriate controls are agreed in respect of each risk.

Representation on the Risk Taxonomy

Climate-related risks are represented on the Risk Taxonomy in one of two ways:

- Vertically: i.e. as distinct risks.
- Horizontally: within one of the other risks, where climate-related risks are integrated into existing risks, e.g. third party risk and regulatory risk.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

The three lines of defence and risk management

The Three Lines of Defence model is an industry recognised model which helps articulate the roles and responsibilities for managing risk across the organisation. It therefore helps clarify responsibilities for the management of all risk types across Marsh Limited and mitigates the risk of gaps or duplications in risk management and assurance activities. The first line is ultimately responsible for owning and managing their risks, including climate-related risks, the second line Risk team provides the necessary framework, guidance, advice and challenge and third line Internal Audit provides assurance through internal audit reviews.

The 2023 ESG Report sets out examples of opportunities the Group has identified to help clients, and the wider industry, navigate climate risks and associated opportunities.

Metrics & Targets

The Overall Global Approach

The approach to the environment and environmental reporting is managed at a Group level. In March 2022, MMC announced goals to achieve net-zero carbon emissions across its global business operations by 2050, with a 50% emissions reduction by 2030. As part of the Company's contribution to achieving these targets, it has reduced its total energy consumption from 18.1m Kwh in 2022 to 16.3m in 2023.

The 2023 ESG report (<https://www.marshmclennan.com/content/mmc-web/mmc-v2/en/about/esg-2023.html>) details the Group's approach to environmental, social and governance priorities, setting out the metrics and targets used by the Group to assess and manage relevant climate-related risks and opportunities. Please refer to the following sections of the report for further details:

- a. page 9 of the 2023 ESG report sets out the Group's commitment to net-zero
- b. page 49 of the 2023 ESG report sets out the Group's 2023 emissions inventory, including scope 1, 2 and 3 greenhouse gas emissions.

The Company's own greenhouse gas emissions disclosure can be found on pages 20 – 23 of these financial statements.

This report was approved by the board and signed on its behalf on 5 July 2024.



M Chessher

Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Directors present their report and the financial statements for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are set out in the Strategic Report on page 1. The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report on pages 1 to 17. This includes a review of the development of the business of the Company during the year and of likely future developments in its business. Details of the principal risks and uncertainties are included in the Strategic Report.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £286 million (2022: £188 million).

The Company paid an interim dividend of £450 million in the year (2022: £200 million). The Directors do not recommend the payment of a final dividend.

Donations to charitable organisations in the United Kingdom totalled £42,182 (2022: £105,402).

DIRECTORS

The Directors who served during the year were:

J Boyce
M Chessher
A Coates
T Colraine
J Flahive (resigned 6 March 2023)
A Fraser-Hawkins
R Harris (resigned 31 July 2023)
A King
C Lay
P Moody
C Read
D Samengo-Turner
D Weymouth

The Directors who were appointed after the year end were:

D S Brightmore-Armour (appointed 11 March 2024)

GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of twelve months after signing the financial statements and, therefore, continue to adopt the going concern basis in preparing the annual report and financial statements.

The Company continues to monitor the uncertainty in the current economic and business environment and Directors are satisfied that the Company's services will continue to be attractive to clients.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 2 to the financial statements.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

FUTURE DEVELOPMENTS

The Company continues to be a market leader in the provision of risk management, insurance and reinsurance broking services in the United Kingdom and overseas. These activities are expected to continue and expand.

MODERN SLAVERY ACT

The Company has a long-standing commitment to conducting business in a responsible and ethical way, in accordance with its Code of Conduct, 'The Greater Good'. The Company is also committed to fulfilling its obligations under the Modern Slavery Act 2015. In support of this the Company has a communications programme to raise awareness amongst all UK Colleagues to ensure that they are mindful of the risks of modern day slavery.

Global Procurement has implemented specific vetting checks, in addition to existing processes, to support this initiative. The Modern Slavery statement can be found on the Company website (<https://www.marsh.com/uk/modern-slavery-statement.html>). The statement is reviewed by the Directors annually.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has put in place an indemnity in its Articles of Association to indemnify directors and officers of the Company against losses or liabilities sustained in the execution of their duties of office. The indemnity is a qualifying third party indemnity provision under s232 and s234 of the Companies Act 2006.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION

The approach to the environment and environmental reporting is managed at a Group level and constantly under review. The Group maintained its certification as a CarbonNeutral © company, initially achieved in 2021 across all of its global operations. In March 2022, MMC announced goals to achieve net-zero carbon emissions across our global business operations by 2050, with a 50% emissions reduction by 2030. The Group also signed a commitment letter to submit these targets to the Science Based Targets initiative for validation. This past year, MMC successfully completed this step.

Across many parts of our global businesses, including in the UK, there are initiatives underway which are focused on improving the efficiency of our operations as those relate to greenhouse gas emissions, energy consumption and the impact our business has on the environment. Examples of these initiatives include:

- Continuing to virtualise services, reducing data space requirements, power consumption and cooling needs, and emissions;
- Reducing square footage per full-time colleague by 31% since 2019 and opening 115 smart offices since 2016. Smart offices incorporate energy saving lighting and HVAC (heating, ventilation and air conditioning), water-conserving fixtures, and practices designed to reduce construction and operational waste;
- Introduction of compostable or reusable 'to go' containers in the London office to reduce waste from food service; and
- The use of renewable electricity across the Group's largest offices in the US, UK and South Africa.

STREAMLINED ENERGY AND CARBON REPORTING

The Company is required to report on energy consumption and greenhouse gas emissions under the Streamlined Energy and Carbon Reporting (SECR) regulations. The information below sets out the Company's emissions from gas, electricity and transport fuel, analysed by Scope 1 and 2. In line with the requirements of the SECR Regulations, energy use and related emissions from business travel in rental cars and employee-owned vehicles where the Company is responsible for purchasing the fuel are disclosed below as Scope 3 emissions.

MARSH LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

**GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION
(CONTINUED)**

Methodology

The Group has taken guidance from the UK Governmental Reporting Guidelines, Greenhouse Gas Protocol reporting standard and UK Government Greenhouse Gas (GHG) Conversion Factors for calculating carbon emissions.

Utility energy consumption information (natural gas and electricity) has been obtained directly from the Group's energy suppliers along with half hourly automated meter reading (HH / AMR) data where available. Where data was not available for a full 12 months, an intensity metric estimation methodology (kilowatt hours (kWh) per square meter floor area) was used to calculate consumption for the full compliance period.

Fuel energy consumption (company-controlled vehicles) has been obtained from mileage information provided by Group travel management services and employee expenses and converted using fuel type and vehicle size information. Where fuel type or vehicle size information is not available, average vehicle size and unknown fuel type emission factors were used.

All GHG emissions are shown as carbon dioxide equivalent (CO₂e).

The total emissions have been converted into an intensity ratio, in order to disclose information which is comparable with other businesses and periods. The Company has chosen as its intensity measurement Tonnes of CO₂e (TCO₂e) per employee working in the business.

Emissions data is disclosed with location based metrics which present the consumption of energy in kWh into equivalent carbon emissions using UK electricity grid average emission factors. Market based data is also disclosed and follows the same conversion methodology using supplier specific generation emission factors, but also accounts for the Company's use of renewable energy, resulting in a lower emissions value.

Total emissions - Scope summary	2023	2023	2022	2022
	(Tonnes of CO₂e)	(Tonnes of CO₂e)	(Tonnes of CO₂e)	(Tonnes of CO₂e)
	Location Based	Market Based	Location Based	Market Based
Scope 1 – Direct	940	940	505	505
Scope 2 – Indirect	3,009	965	3,117	1,071
	3,949	1,905	3,622	1,576
Scope 3 – Indirect	273	273	681	681
Total	4,222	2,178	4,303	2,257
 Total TCO ₂ e on Scopes 1 & 2 above	 3,949	 1,905	 3,622	 1,576
 Headcount as at 31 December		6,893		6,705
 Intensity measurement (TCO ₂ e per employee)	 0.57	 0.28	 0.54	 0.24
 NOTE	 Electricity	 Gas	 Electricity	 Gas
	(Kwh)	(Kwh)	(Kwh)	(Kwh)
Energy consumption used to calculate emissions (Kwh)	14,529,366	1,723,610	16,118,341	1,979,589
	Total	16,252,976	Total	18,097,930

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

**GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION
(CONTINUED)**

Review by Scope

Scope 1

Scope 1 emissions are direct emissions stemming from business operations, primarily emissions generated by on-site combustion and fleet vehicles. These emissions are related to activities owned or controlled by the Group which release emissions into the atmosphere, examples of Scope 1 emissions are combustion from owned or controlled boilers and company vehicles.

Natural Gas

Natural gas data relates to consumption at sites where gas is sourced by the Group and by third-party landlords who have confirmed natural gas supplies attributable to the Group. The inclusion of third-party landlord consumption provides a more complete view across the UK portfolio of consumption attributed to the Group's business operations.

The data comprises actual metered consumption for sites where the Group sources the supply, and estimates of consumption for the landlord supplied sites using an intensity metric of kWh/m² taken from the metered sites.

Company Vehicles & Fleet

The data for company vehicles captures the emissions from fuel consumed for business use in company cars, and fleet where employees are reimbursed for business mileage.

Vehicle fuel emissions arising from business travel from company-controlled fleet or company cars are allocated to each Company within the Group. This is an alteration to the method applied previously following increased data availability around business travel and allows for greater performance tracking moving forward.

Scope 1 emissions for location and market data are identical and summarised in the table below:

	2023 (excluding offshore)	2022 (excluding offshore)	Variance (%)
Emissions from combustion of gas (Scope 1 - tonnes of CO ₂ e)	315	361	(13)
Emissions from combustion of fuel for transport purposes (Scope 1 - tonnes of CO ₂ e)	625	144	334

A reduction in emissions from combustion of gas has been seen as a result of the continued rationalisation of the office estate to remove less energy efficient offices.

Vehicle fuel emissions associated with business travel have increased compared to 2022 due to greater business travel needs.

MARSH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION (CONTINUED)

Scope 2

Scope 2 relates to emissions that are released into the atmosphere associated with consumption of purchased electricity, heat and cooling and are indirect emissions that are a consequence of the Group's activities, but which occur at a source the Group does not own or control. These emissions are defined as purchased emissions.

Office Electricity

Office electricity emissions relate to energy consumption and usage which is purchased from a utility and used to power buildings or other assets owned or utilised by the Company.

Vehicle Electricity

Vehicle emissions from the use of fully electric (EV) and Plug-in Hybrids (PHEV) arising from business travel from company-controlled fleet or company cars are allocated based on headcount to each business within the Group.

	2023 Location Based	2022 Location Based	Variance (%)
Emissions from electricity purchased for own use, including for the purpose of transport (Scope 2 - tonnes of CO ₂ e)	3,009	3,117	(3)

	2023 Market Based	2022 Market Based	Variance (%)
Emissions from electricity purchased for own use, including for the purpose of transport (Scope 2 - tonnes of CO ₂ e)	965	1,071	(10)

The Group continues to focus on the procurement of Renewable Energy Obligation Certification (REGO / GO) electricity across sites where the Group are responsible for procurement. This has resulted in an increase in the volume of electricity from renewable sources (market based data).

Offices added to the portfolio during 2023 are classified as non-renewable until they can be added to the Group's REGO procurement or confirmation can be obtained from the landlord.

MARSH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION (CONTINUED)

Scope 3

Emissions include other indirect emission from sources not owned or controlled by the Company, but that we indirectly impact in our value chain, which are not classed as Scope 2. The Scope 3 emissions for the Company include our colleagues' business travel by means not owned or controlled by the Company.

Transport

Scope 3 all travel restrictions remain lifted. The Group continues to invest in technology and tools to support remote working and use online meetings where applicable.

	2023	2022	Variance (%)
Emissions from business travel by employee owned vehicles (Scope 3 – tonnes of CO ₂ e)	273	681	(60)

Vehicle fuel emissions associated with business travel represent a decrease compared to 2022 due improved data collection.

Note

The Company's UK facilities are largely operated on a shared basis with the other operating companies within the Group. The portfolio is predominantly leased and is managed centrally. The supply of gas and electricity for a property can either be sourced by the Company or the supply managed via a building landlord.

MARSH LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

EVENTS AFTER THE REPORTING PERIOD

Please refer to note 31 for information on events after the reporting period.

AUDITOR

The auditor, Deloitte LLP, have expressed their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting. The auditor is deemed to be reappointed under section 487(2) of the Companies Act 2006).

This report was approved by the board and signed on its behalf on 5 July 2024.



M Chessher
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARSH LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Marsh Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 33.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- assessing other market altering factors by looking at the operational impact and business continuity plans;
- evaluating future profit forecasts, management's method in producing these, and the consistency with current year results;
- assessing management's sensitivity analysis of key assumptions underpinning liquidity; and
- assessing the going concern disclosures included within the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARSH LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation and the regulations of the Financial Conduct Authority ('FCA'); and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. This includes the Company's regulatory permissions and environmental regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARSH LIMITED

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions, IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address them are described below:

The significant risk of errors and omissions ('E&O') in the ordinary course of business in respect of E&O legal claims. In response to this risk we performed the following:

- evaluated the design and implementation and the operating effectiveness of the company's internal controls in relation to the valuation of E&O liabilities;
- held discussions with the UK Legal Counsel and inspected correspondence held on file;
- challenged management's calculations of the reserves as 31 December 2023;
- selected a sample of the claims information maintained by the company's legal staff relating to potential and known E&O cases and increased the extent of our sample to cover a larger volume of the population auditing the value of E&O liabilities;
- selected a sample of new low value or nil value claims; and
- obtained the latest E&O listing at 31 March 2024 to ensure that no significant changes occurred to the E&O cases as at 31 December 2023.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and internal legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, reviewing correspondence with HMRC and reviewing correspondence with FCA.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

MARSH LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARSH LIMITED

Matters on which we are required to report by exception

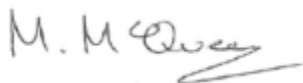
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark McQueen (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor

London

United Kingdom

Date: 5 July 2024

MARSH LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
	Note	£M	£M
Turnover	4	<u>1,763</u>	<u>1,503</u>
Gross profit		1,763	1,503
Administrative expenses		(1,433)	(1,303)
Other operating income	5	58	58
Other operating charges	6	<u>(16)</u>	<u>–</u>
Operating profit	7	372	258
Income from fixed assets investments	12	25	493
Amounts written off investments	19	(15)	(493)
Income from participating interests	11	–	1
Interest receivable and similar income	13	<u>32</u>	<u>6</u>
Profit before tax		414	265
Tax on profit	14	<u>(128)</u>	<u>(77)</u>
Profit for the financial year		<u>286</u>	<u>188</u>
Gain on transfer of shares	15	<u>29</u>	<u>–</u>
Other comprehensive income for the year		<u>29</u>	<u>–</u>
Total comprehensive income for the year		<u>315</u>	<u>188</u>

All transactions derive from continuing operations.

There were no other comprehensive income items other than those included above.

The notes on pages 35 to 60 form part of these financial statements.

MARSH LIMITED

REGISTERED NUMBER: 01507274

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 £M	2022 £M
Fixed assets			
Intangible assets	17	1,199	1,202
Tangible assets	18	–	–
Investments	19	155	233
		<u>1,354</u>	<u>1,435</u>
Current assets			
Debtors: amounts falling due after more than one year	20	309	208
Debtors: amounts falling due within one year	20	781	930
Cash at bank and in hand	22	3,150	3,383
		<u>4,240</u>	<u>4,521</u>
Creditors: amounts falling due within one year	23	(3,775)	(4,004)
Net current assets		<u>465</u>	<u>517</u>
Total assets less current liabilities		<u>1,819</u>	<u>1,952</u>
Provisions for liabilities			
Other provisions	26	(47)	(45)
		<u>(47)</u>	<u>(45)</u>
Net assets		<u><u>1,772</u></u>	<u><u>1,907</u></u>

MARSH LIMITED**REGISTERED NUMBER: 01507274**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

		2023	2022
		£M	£M
Capital and reserves			
Called up share capital	27	255	255
Share premium account	28	35	35
Other reserves	28	29	10
Profit and loss account	28	1,453	1,607
		<u>1,772</u>	<u>1,907</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 July 2024.


Mark Chessher

M Chessher
Director

The notes on pages 35 to 60 form part of these financial statements.

MARSH LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £M	Share premium account £M	Other reserves £M	Profit and loss account £M	Total equity £M
At 1 January 2023	255	35	10	1,607	1,907
Comprehensive income for the year:					
Profit for the year	–	–	–	286	286
Gain on transfer of shares	–	–	–	29	29
Total comprehensive income for the year	–	–	–	315	315
Dividends paid	–	–	–	(450)	(450)
Transfer to/from profit and loss account	–	–	19	(19)	–
Total transactions with owners	–	–	19	(469)	(450)
At 31 December 2023	255	35	29	1,453	1,772

The notes on pages 35 to 60 form part of these financial statements.

MARSH LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £M	Share premium account £M	Other reserves £M	Profit and loss account £M	Total equity £M
At 1 January 2022	255	35	10	1,619	1,919
Comprehensive profit for the year:					
Profit for the year	—	—	—	188	188
Total comprehensive income for the year	—	—	—	188	189
Dividends paid	—	—	—	(200)	(200)
Total transactions with owners	—	—	—	(200)	(200)
At 31 December 2022	255	35	10	1,607	1,907

The notes on pages 35 to 60 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 GENERAL INFORMATION

Marsh Limited is a company incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on the Company information page. Marsh Limited is a private company limited by shares. The nature of the Company's operations and its principal activities are set out in the strategic report and the directors' report on pages 1 to 24.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 FINANCIAL REPORTING STANDARD 102 REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 29 Income Tax related to Pillar Two paragraphs 29.28(b) and 29.29.
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Where applicable, this information is included in the consolidated financial statements of Marsh & McLennan Companies Inc. as at 31 December 2023 and these financial statements may be obtained from the address listed in note 33.

2.3 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2.4 GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and financial position, are set out in the business review which forms part of the Strategic Report.

The Company meets its day-to-day working capital requirements from corporate cash balances and revolving loan facilities (note 20). The Company continues to monitor the uncertainty in the current economic and business environment. This monitoring and analysis, considered our business resilience and continuity plans of the Company's investments and stress testing of liquidity and financial resources. The analysis modelled the financial impact assuming an increasing severity in relation to revenue and certain costs, for a 36-month period, so that the potential impact on profitability and liquidity could be assessed.

Having assessed the responses to their enquiries, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Company to continue as a going concern.

The Directors acknowledge the latest guidance on going concern. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of twelve months from the date of the approval of the financial statements and, therefore, they continue to adopt the going concern basis in preparing the annual financial statements.

2.5 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2.6 REVENUE RECOGNITION

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Client Service revenue

Client Service Revenue includes insurance commissions, fees for services rendered and certain commissions receivable from insurance carriers.

Investment income

Investment income from fiduciary and corporate balances is recognised on an accruals basis using the effective interest rate method.

2.7 OPERATING LEASES : THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 DIVIDEND INCOME

Represents dividends received from subsidiaries. Dividends are accounted for when declared.

2.9 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.10 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2.11 INSURANCE BROKING ASSETS AND LIABILITIES

Insurance brokers usually act as agents in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions.

In recognition of this relationship, debtors from insurance broking transactions are not included as an asset of the Company. Other than the receivable for revenue not yet received for fees and commissions earned on a transaction, no recognition of the insurance transaction occurs.

In certain circumstances, the Company advances premiums, refunds or claims to insurance underwriters or clients prior to collection. These advances are reflected in the Statement of Financial Position as part of trade receivables.

Acting as an agent, Marsh Limited does not meet the definition of a financial institution under FRS 102 and accordingly has taken relief from providing additional disclosure in accordance with FRS 102.34.17-33.

2.12 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2.13 INTANGIBLE ASSETS

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Client book of business	In line with underlying cash flows over 4 - 15 years
Computer software	On a straight line basis over 3 to 5 years

Software development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill.

Software development costs are recognised as an intangible asset and amortised when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software or to sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Management review intangibles and estimate the useful lives based on estimates of the future cash flows.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2.14 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	10 - 20% per annum
Office equipment	10 - 20% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.15 CONTRACTUAL OUTSOURCED ARRANGEMENTS

Where the outcome of a long term outsourcing contract can be estimated reliably, the costs are recognised by reference to the stage of completion. This is measured by the proportion of outsourcing contract costs incurred to date relative to the estimated total outsourcing contract costs.

Outsourcing contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that the total outsourcing contract costs will exceed estimated total outsourcing contract costs, the expected overrun of costs is recognised immediately.

2.16 IMPAIRMENT OF FIXED ASSETS AND GOODWILL

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ("CGU") to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU's). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each statement of financial position date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Impairment is measured by comparing the carrying value of the asset with its future discounted cash flow. Those held as current assets are stated at the lower of cost and net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2.18 IMPAIRMENT

Assets, other than those measured at fair value, are assessed for indicators of impairment at each statement of financial position date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

Financial assets

For the Company's assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For the Company's assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible and intangible assets acquired separately to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Comprehensive Income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Comprehensive Income, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Internally generated intangible assets arising from the Company's internal system development projects are considered for impairment on a regular basis. Where assets no longer have a useful purpose either by the result of obsolescence or the Company's decision to migrate to other products, will be recognised in the statement of income in the quarter the asset is no longer in a condition useable by the Company in any capacity.

2.19 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2.20 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.21 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.22 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are charged to the provision carried in the Statement of Financial Position.

2.23 POST PLACEMENT SERVICE PROVISIONS

An estimate is made of the future liabilities that arise in the current year and previous years from the placement of insurance policies. The provision is determined considering the time taken to provide the post placement services, the number of claims that are to be processed and the costs of processing claims. The provision is reflected in deferred income.

2.24 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2.24 FINANCIAL INSTRUMENTS (CONTINUED)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.25 DIVIDENDS

Dividends are the way that the Company makes distributions from the Company's profits to its shareholder. The dividend is determined in sterling, the economic currency of the Company. The Directors may choose to declare dividends in any currency provided that a sterling equivalent is announced.

The Board decides the level of dividend in consultation with, or consideration of, various stakeholders, including the management of the Company's ultimate parent company, Marsh & McLennan Companies, Inc.. The amount and timing of a dividend is influenced by factors such as:

- the Company's working capital requirements to sustain its business plans;
- the Company's Regulatory Capital requirements;
- consideration of future employer contributions required for the closed defined benefit pension plan, should the fund be in deficit;
- the Company's future capital investment needs; and
- the Company's excess financial resources.

Equity dividends are recognised when they become legally payable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The Directors do not consider any judgements critical, other than those involving estimations that are dealt with separately below, which have been made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumption concerning the future, and related key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Goodwill

The Company establishes a reliable estimate of the useful life of goodwill arising on trade and business acquisitions. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses (note 17).

Impairment review of fixed asset investments

The Company has an annual process of reviewing its fixed asset investments for indicators of impairment. Areas of critical judgement include estimates of future discount rates, future earnings and consideration of whether there is a willing buyer in the market for these investments.

Impairment and impairment reversals are measured by comparing the carrying value of the asset with its future discounted cash flow. Any impairment that has subsequently been reversed is capped to its historical acquisition cost (note 19).

Errors and omissions

The Company is subject to claims and litigation in the ordinary course of its business, principally in connection with the Company's insurance broking business. Provisions have been made only in respect of claims attributable to events which have occurred, and been notified to the Company, by the reporting date. The provision for errors and omissions claims is based on a current estimate of the total claims as advised by the Company's legal team (note 26).

MARSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4 TURNOVER

The Company operates one class of business, being the provision of advice and related services, and operates solely within the United Kingdom.

	2023	2022
	£M	£M
Turnover - Client service revenue	1,608	1,461
Turnover - Investment income	155	42
	1,763	1,503

Analysis of turnover by country of destination:

	2023	2022
	£M	£M
United Kingdom	1,005	822
North America	347	306
Rest of the world	411	375
	1,763	1,503

5 OTHER OPERATING INCOME

	2023	2022
	£M	£M
Other income from broking activities	58	3
Foreign exchange gains on operating activities	–	55
	58	58

Other income from broking activities mainly represents one off legal settlement income of £56 million.

6 OTHER OPERATING CHARGES

	2023	2022
	£M	£M
Foreign exchange losses on operating activities	16	–
	16	–

MARSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7 OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2023	2022
	£M	£M
Amortisation of intangible assets, including goodwill	129	118
Exchange losses/(gains)	16	(55)

8 AUDITOR'S REMUNERATION

	2023	2022
	£M	£M
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	1	1

The audit fee attributable to the Company is £1.3 million (2022: £1.3 million). In addition to the statutory audit, the auditor also provided an assurance report on the Company's client assets for which the fee for the Company is £0.2 million (2022: £0.2 million).

9 EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2023	2022
	£M	£M
Wages and salaries	652	601
Social security costs	90	84
Cost of defined contribution scheme	39	36
	781	721

The Company does not employ staff. Members of staff carrying out work on behalf of the Company are employed and paid by a fellow Group company, Marsh Services Limited. This includes the Directors of the Company. The Company is charged and bears the cost for the remuneration and other associated benefits paid on its behalf, with the exception of the share-based payments charge which is accounted for in Marsh Services Limited.

Marsh Services Limited participates in a pension plan ('the Fund') in the United Kingdom with defined benefit and defined contributions sections. The defined benefit sections of the Fund were closed to new employees of Marsh Services Limited with effect from 1 July 2004. Following consultation, Marsh Services Limited determined in January 2014 to close the existing sections of the Fund to all future benefit accrual with effect from 1 August 2014.

Marsh Services Limited makes contributions to the Fund and is responsible for the pension liabilities attributed to its members. At 31 December 2023, Marsh Services Limited disclosed in its financial statements that the pension scheme valuation is a net asset of £972 million (31 December 2022: net asset £992 million) using an FRS 102 valuation basis. Further detail can be found in the financial statements of Marsh Services Limited. The FRS 102 Section 28 disclosures for the defined contribution section of the Fund can also be found within the financial statements of Marsh Services Limited.

MARSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10 DIRECTORS' REMUNERATION

	2023	2022
	£M	£M
Directors' emoluments	<u>15</u>	<u>13</u>
	<u>15</u>	<u>13</u>

During the year there were retirement benefits accruing to two Directors (2022: *one*) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £3 million (2022: *£4 million*) and was granted and exercised shares during the year under the long term incentive schemes.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2022: *£nil*).

The value of the Company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £nil (2022: *£nil*).

During the year ten Directors were granted shares under the Group's long term incentive schemes (2022: *nine*).

During the year three Directors exercised shares under the Group's long term incentive schemes (2022: *two*).

The emoluments shown above reflect the total emoluments received by the Directors for services relating to the Company and other companies in the Group during the year under review. The Directors' emoluments disclosed above are not allocated to a Group company in receipt of an individual's specific service. Emoluments are paid by the Directors' employing company within the Group which is Marsh Services Limited. The remuneration costs from Marsh Services Limited are subsequently recharged to the Company.

11 INCOME FROM PARTICIPATING INTERESTS

	2023	2022
	£M	£M
Profit on sale of business	<u>-</u>	<u>1</u>
	<u>-</u>	<u>1</u>

On 1 July 2022, the Company sold its healthcare portfolio to another group undertaking. The profit on sale of the business was £1 million.

MARSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12 INCOME FROM FIXED ASSET INVESTMENTS

	2023	<i>2022</i>
	£M	<i>£M</i>
Dividends received from unlisted investments	<u>25</u>	<u><i>493</i></u>
	<u>25</u>	<u><i>493</i></u>

In 2023, a review of capital was conducted by certain UK subsidiaries of the Company, any surplus capital was returned to the Company by way of a dividend.

In 2022, higher dividends arose as a consequence of a dividend from Jelf Insurance Brokers Limited following the sale of its trade and assets to the Company.

13 INTEREST RECEIVABLE AND SIMILAR INCOME

	2023	<i>2022</i>
	£M	<i>£M</i>
Interest receivable from group undertakings	28	<i>4</i>
Other interest receivable	<u>4</u>	<u><i>2</i></u>
	<u>32</u>	<u><i>6</i></u>

The interest receivable from group undertakings represents the interest received on the balances held within the revolving loan facility. Other finance income represents interest received from bank deposits.

14 TAX ON PROFIT

	2023	<i>2022</i>
	£M	<i>£M</i>
Corporation tax		
Current tax on profits for the year	127	<i>74</i>
Adjustments in respect of previous periods	<u>–</u>	<u><i>2</i></u>
	<u>127</u>	<u><i>76</i></u>
 Foreign tax		
Foreign tax on income for the year	<u>2</u>	<u><i>1</i></u>
Total current tax	<u>129</u>	<u><i>77</i></u>
 Deferred tax		
Origination and reversal of timing differences	<u>(1)</u>	<u><i>–</i></u>
Total deferred tax	<u>(1)</u>	<u><i>–</i></u>
 Tax on profit	<u>128</u>	<u><i>77</i></u>

MARSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14 TAX ON PROFIT (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2022: *higher than*) the standard rate of corporation tax in the UK of 23.5% (2022: 19.0%). The differences are explained below:

	2023	2022
	£M	£M
Profit before tax	<u>414</u>	<u>265</u>
Profit multiplied by standard rate of corporation tax in the UK of 23.5% (2022: 19%)	97	50
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	33	116
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2	1
Adjustments to tax charge in respect of prior periods	–	2
Dividends from UK companies	(6)	(93)
Foreign tax	<u>2</u>	<u>1</u>
Total tax charge for the year	<u>128</u>	<u>77</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The UK Corporation Tax rate increased from 19% to 25% with effect from 1 April 2023.

The international tax reform released by the Organisation for Economic Cooperation and Development (OECD), known as Pillar Two, is a framework for the introduction of a global minimum effective tax rate of 15%, which could impact the tax charge of the Company in future periods in the jurisdiction where the Company operates. The legislation was enacted by Finance (No. 2) Act 2023, which received Royal Assent on 20 June 2023, and will be effective from 1 January 2024.

15 GAIN ON TRANSFER OF SHARES

	2023	2022
	£M	£M
Gain on transfer of shares	<u>29</u>	–
	<u>29</u>	–

In December 2023, the Company made a gain which resulted from the sale of part of its investment in subsidiary, consideration of which was in a form of book of business received equivalent to the fair market value of £92 million. Further details can be found in notes 17 and 19.

MARSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16 DIVIDENDS

	2023	<i>2022</i>
	£M	<i>£M</i>
Interim dividend for the year	450	<i>200</i>
	450	<i>200</i>

During 2023, following a review of its capital requirements, the Company paid £450 million in dividends to its parent company, MMC UK Group Limited.

17 INTANGIBLE ASSETS

	Client book of business £M	Computer software £M	Goodwill £M	Total £M
Cost				
At 1 January 2023	34	32	2,016	2,082
Additions	124	2	–	126
At 31 December 2023	158	34	2,016	2,208
Amortisation				
At 1 January 2023	20	19	841	880
Charge for the year on owned assets	3	2	124	129
At 31 December 2023	23	21	965	1,009
Net book value				
At 31 December 2023	135	13	1,051	1,199
At 31 December 2022	<i>14</i>	<i>13</i>	<i>1,175</i>	<i>1,202</i>

Goodwill relates to businesses acquired by the Company, which is the net of consideration paid less net assets acquired. The charge for the amortisation in the year is reflected in the statement of comprehensive income administrative expenses.

In December 2023, the Company purchased books of business for £124 million from other Group undertakings. The transactions were at a fair market value.

Computer software costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss. Development costs relate to software platforms that have been placed into production to generate economic benefit returns to the Company.

Management performed an annual impairment test of the Company's goodwill and concluded that no impairment charge was appropriate.

MARSH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

18 TANGIBLE FIXED ASSETS

	Office equipment £M	Total £M
Cost or valuation		
At 1 January 2023	10	10
At 31 December 2023	10	10
Depreciation		
At 1 January 2023	10	10
At 31 December 2023	10	10
Net book value		
At 31 December 2023	–	–
At 31 December 2022	–	–

MARSH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19 FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £M
Cost or valuation	
At 1 January 2023	2,543
Disposals	(63)
Amounts written off	(25)
At 31 December 2023	2,455
Impairment	
At 1 January 2023	2,310
Charge for the period	15
Reversal of impairment losses	(25)
At 31 December 2023	2,300
Net book value	
At 31 December 2023	155
<i>At 31 December 2022</i>	<i>233</i>

In December 2023, the Company sold part of its investment in subsidiary of £63 million, consideration of which was in a form of book of business received equivalent to the fair market value.

The Company carried out an annual impairment review of its investments in subsidiary companies. An impairment of £15 million has been charged in the year as a consequence of dividends declared to the Company by its subsidiary investments.

The Company received £15 million of dividend income in the year, which offsets the impact of this impairment charge in the profit and loss account and as a consequence there is no impact on the Company's total net assets.

The following entities were dissolved during the year: SME Insurance Services Limited on 17 April 2023, Central Insurance Services Limited on 29 June 2023, Hayward Aviation Limited on 7 December 2023, Jelf Risk Management Limited on 18 July 2023, JLT Advisory Limited on 27 September 2023. As a result, cost of investment of £25 million and related impairment of £25 million has been written off during the year.

JLT Re Limited was dissolved on 2 April 2024.

MARSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

19 FIXED ASSET INVESTMENTS (CONTINUED)

Details of the Company's subsidiary undertakings at 31 December 2023 are:

Name	Country of Incorporation	Class of shares	Holding	Registered office
Bluefin Insurance Services Limited	United Kingdom	Ordinary	100%	1 Tower Place West, Tower Place, London, United Kingdom, EC3R 5BU
Guy Carpenter & Company Gmbh	Germany	Ordinary	41%	Muellerstrasse 3, 80469 Munich, Germany
Guy Carpenter & Company Limited*	United Kingdom	Ordinary	100%	1 Tower Place West, Tower Place, London, United Kingdom, EC3R 5BU
Hamilton Bond Limited	United Kingdom	Ordinary	100%	1 Tower Place West, Tower Place, London, United Kingdom, EC3R 5BU
Jelf Commercial Finance Limited	United Kingdom	Ordinary	100%	1 Tower Place West, Tower Place, London, United Kingdom, EC3R 5BU
Jelf Insurance Brokers Limited*	United Kingdom	Ordinary	100%	1 Tower Place West, Tower Place, London, United Kingdom, EC3R 5BU
JLT Insurance Group Holdings Limited*	United Kingdom	Ordinary	100%	1 Tower Place West, Tower Place, London, United Kingdom, EC3R 5BU
JLT Re Limited	United Kingdom	Ordinary	100%	6th Floor 9 Appold Street, London, EC2A 2AP
JLT Reinsurance Brokers Limited	United Kingdom	Ordinary	100%	1 Tower Place West, Tower Place, London, United Kingdom, EC3R 5BU
JLT Specialty Limited	United Kingdom	Ordinary	100%	1 Tower Place West, Tower Place, London, United Kingdom, EC3R 5BU
Marine, Aviation & General (London) Limited	United Kingdom	Ordinary	25%	1 Minster Court, Mincing Lane, London, EC3R 7AA
Marsh S.A.	Belgium	Ordinary	23%	2, Avenue Hermann-Debrouxlaan, B-1160, Brussels, Belgium
MMC Securities Limited*	United Kingdom	Ordinary	100%	1 Tower Place West, Tower Place, London, United Kingdom, EC3R 5BU

*Direct subsidiaries

MARSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

20 DEBTORS

	2023	<i>2022</i>
	£M	<i>£M</i>
Due after more than one year		
Amounts owed by group undertakings	300	<i>200</i>
Deferred tax	9	<i>8</i>
	309	<i>208</i>

Amounts owed by group undertakings are loans to another group undertaking totalling £200 million at an interest rate of Sonia + 0.9694%. During the year, additional loan of £100 million was issued at an interest rate Sonia + 1.06%. Both are repayable on 19 December 2025.

	2023	<i>2022</i>
	£M	<i>£M</i>
Due within one year		
Trade debtors	314	<i>329</i>
Amounts owed by group undertakings	211	<i>333</i>
Other debtors	1	<i>3</i>
Amounts recoverable from captive insurer in respect of errors and omissions claims reserved	49	<i>47</i>
Prepayments	22	<i>14</i>
Accrued income	154	<i>144</i>
Amounts recoverable from group undertakings - tax	30	<i>60</i>
	781	<i>930</i>

Included in amounts owed by group undertakings is a loan receivable of £152 million (2022: £279 million) which is repayable on demand and had variable interest rates of between 0% and 6.87%.

The remaining balance is unsecured, interest free and repayable on demand.

21 INSURANCE DEBTORS

	2023	<i>2022</i>
	£M	<i>£M</i>
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Third party trade debtors	1,862	<i>1,737</i>
Amounts owed by group undertakings	1,276	<i>1,476</i>
	3,138	<i>3,213</i>
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Third party trade debtors	125	<i>128</i>
	125	<i>128</i>

Insurance debtors of £3,263 million and insurance creditors of £6,317 million are presented in the balance sheet as at 31 December 2023 as net payable of £3,054 million included within trade creditors (note 23).

MARSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

22 BANK AND CASH BALANCES

	2023	2022
	£M	£M
Fiduciary cash held under a non-statutory fiduciary trust	3,054	3,272
Cash at bank and in hand	7	19
Corporate cash - Restricted funds and Fiduciary surplus	89	92
	3,150	3,383

Within the corporate cash restricted funds balance there is an amount held of £80 million (2022: £80 million) which represents funds required to be held outside of the corporate cash pooling arrangements, as agreed with the Financial Conduct Authority.

Also included in the corporate cash restricted funds balance is an amount of £9 million (2022: £12 million) which represents the fiduciary surplus that has not yet been transferred into corporate bank account.

Therefore, this amount is not subject to the potential exposure explained at note 29 (c) with regard to the Company's corporate cash pooling arrangements.

23 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£M	£M
Trade creditors	3,054	3,272
Amounts owed to group undertakings	213	314
Amounts owed to group undertakings - tax	36	11
Corporation tax	166	116
Other taxation and social security	7	10
Deferred income	91	87
Other creditors	2	4
Accruals	206	190
	3,775	4,004

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

MARSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

24 INSURANCE CREDITORS

	2023	2022
	£M	£M
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Third party trade creditors	5,673	5,826
Amounts owed to group undertakings	525	663
	<u>6,198</u>	<u>6,489</u>
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Third party trade creditors	119	124
	<u>119</u>	<u>124</u>

25 DEFERRED TAXATION

	2023	2022
	£M	£M
At beginning of year	8	5
Credited to profit or loss	1	—
Arising on business combinations	—	3
At end of year	<u>9</u>	<u>8</u>

The provision for deferred tax is made up as follows:

	2023	2022
	£M	£M
Accelerated capital allowances	9	8
	<u>9</u>	<u>8</u>

Deferred tax timing differences have been provided for at the rate of 25%, being the rate enacted at the balance sheet date.

On 11 July 2023, the Financial Reporting Council (FRC) published amendments to section 29 of FRS102 entitled 'International Tax Reform - Pillar Two Model Rules' to clarify the application of section 29 Income Tax to income tax arising from tax law enacted or substantively enacted to implement Pillar Two model rules. The amendments became effective immediately. The amendments introduce a mandatory temporary exception to the accounting requirement of deferred taxes in section 29, so that an entity would neither recognise or disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The Company has applied this exception and not provided for deferred tax in respect of these reforms.

There are no unrecognised deferred tax balances.

MARSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

26 PROVISIONS

	Errors and Omissions and other claims £M
At 1 January 2023	45
Utilised in year	(16)
Foreign exchange movement	(2)
Additional provision made	20
At 31 December 2023	47

Errors and omissions and other claims

The Company is subject to claims and litigation in the ordinary course of its business, principally in connection with the Company's insurance broking business. Provisions have been made only in respect of claims attributable to events which have occurred, and been notified to the Company, by the reporting date. Each case is reviewed independently and represents management's best estimate of the Company's liability.

The provision is shown gross of any monies recoverable under the Group's insurance policies which are included within debtors.

Further information regarding errors and omissions provisions held by the Group, including those held by the Company, can be found in the published financial results of Marsh and McLennan Companies, Inc, the ultimate parent entity of the Company.

27 CALLED UP SHARE CAPITAL

	2023 £M	2022 £M
Allotted, called up and fully paid		
255,201,534 (2022- 255,201,534) Ordinary shares of £1.00 each	255	255

The Company has one class of ordinary shares which carry no right to fixed income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

28 RESERVES

Share premium account

Share premium represents the premium received above the par value on ordinary share capital transactions.

Other reserves

In 2021, 1,000 ordinary shares were bought back from the Company's immediate parent company, MMC UK Group Limited. The nominal value of the shares of £1,000 has been credited to the capital redemption reserve.

In 2017, the Company made a gain of £10 million on the sale of a subsidiary to another direct subsidiary at fair market value. As the consideration received was shares in a direct subsidiary undertaking, this has been treated as a non-distributable reserve. During the year this has been realised and transferred to Profit and Loss reserve.

In 2023, the Company made a gain of £29 million which resulted from the sale of part of its investment in subsidiary, consideration of which was in a form of book of business received equivalent to the fair market. This has been treated as non-distributable reserve.

As a result, net transfer of £19 million was made from Profit and Loss Reserves to Other reserves.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses. As noted above, during the year an other reserve balance of £10 million has been transferred to this account.

29 CONTINGENT LIABILITIES

a. A guarantee has been given to Citibank N.A., by the Company in order to access the London Market Letter of Credit Scheme. The maximum exposure to the Company is the amount held in the Letter of Credit bank accounts at any point in time. As at 31 December 2023 the Company held a total amount of £1.4 million (2022: £1.5 million) in relation to these bank accounts.

b. The Company and subsidiaries of the Company continue to be subject to claims and lawsuits that arise in the ordinary course of business in connection with the placement of insurance and reinsurance, most of which are covered by professional indemnity insurance. Some of these claims and lawsuits seek damages including punitive damages in amounts which could, if assessed, be significant.

c. The Company participates in cash pooling agreement with bank. Each member of the pool indemnifies against all losses incurred as a result of the failure of any other pool member, limited to any net cash balance held in the pool. As at 31 December 2023, the Company had a total balance of £6 million (2022: £18 million) in the pool. The other members of the pooling arrangements are companies fully owned by Marsh & McLennan Companies, Inc.

d. The Company has provided a guarantee to MMC UK Pension Fund Trustee Limited ('Trustee'), as trustee of the MMC UK Pension Fund ('Fund') to ensure punctual performance by Marsh Services Limited ('MSL') of all its payments to the Fund. Failing that, the Company will pay the Trustee any amounts due by MSL and indemnify the Trustee against any related costs, losses or liabilities suffered if any amounts are unrecoverable.

Further details of the Fund are disclosed in the financial statements of Marsh Services Limited.

MARSH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

29 CONTINGENT LIABILITIES (CONTINUED)

Marsh Services Limited has agreed to make deficit contributions to the JLT section of the Fund of up to £33 million per annum over the period from 2024 to 28 February 2029, subject to an annual assessment using financial assumptions agreed with the Trustee. Based on the annual assessment carried out at the end of 2023 and the latest quarterly review, Marsh Services Limited expects to pay deficit contributions of £15.4 million in 2024, and no further deficit contributions thereafter. This is subject to quarterly tests that will cause deficit contributions to resume if the JLT section has a funding deficit in the future. No further contributions are payable by Marsh Services Limited to the other defined benefit sections of the Fund, subject to review in 2025.

Under the current funding agreement, depending on future experience development, contingent deficit contributions of up to £165 million are covered by the Marsh Limited guarantee payable over a five year and two month period from 31 December 2023.

Summarised below is the Marsh Services Limited pension fund valuation under FRS 102 as at 31 December:

	2023	2022
	£M	£M
Present value of funded obligation	(3,087)	(3,051)
Fair value of plan assets	4,070	4,054
	<u>983</u>	<u>1,003</u>
Present value of unfunded obligation	<u>(11)</u>	<u>(11)</u>

On an FRS102 valuation basis the defined benefit sections of the pension fund are in an overall surplus of £983 million at 31 December 2023. The unfunded obligation relates to other pension arrangements agreed with Marsh Services Limited as an employer.

30 RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 Section 33.1A not to disclose transactions between entities within the Marsh & McLennan Companies, Inc. Group, where no less than 100% of voting rights are controlled within the Group, whose consolidated financial statements are publicly available. There are no other transactions requiring disclosure.

31 EVENTS AFTER THE REPORTING PERIOD

During February 2024, the Company subscribed for additional 1,000 ordinary shares in an immediate subsidiary for a consideration of £4 million.

The Company declared a dividend to its parent company of £100 million after the Statement of Financial Position date.

32 GROUP FINANCIAL STATEMENTS

Group financial statements are not prepared in line with s401 of the Companies Act 2006 as the Company is itself a wholly-owned subsidiary and is included in the consolidated financial statements of Marsh & McLennan Companies, Inc., its ultimate parent company. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its Group.

MARSH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

33 IMMEDIATE AND ULTIMATE PARENT COMPANIES

The Company's immediate parent company is MMC UK Group Limited, registered in England and Wales. The Company's ultimate parent company and controlling entity is Marsh & McLennan Companies, Inc., incorporated in the state of Delaware, United States of America.

The smallest and largest group in which the results of Marsh Limited are consolidated is that headed by Marsh & McLennan Companies, Inc. whose registered address is 1166 Avenue Of The Americas, New York, Ny 10036, United States. The consolidated financial statements of Marsh & McLennan Companies, Inc. are available to the public and may be obtained from:

Companies House
Crown Way
Cardiff
CF14 3UZ

and also from:

The Company Secretary
Marsh & McLennan Companies UK Limited
1 Tower Place West
Tower Place
London
EC3R 5BU